

Mortgage Insurance for Supplemental Loans for Multifamily Projects (Section 241)

Federal mortgage loan insurance to finance improvements and additions to, and equipment for multifamily rental housing and healthcare facilities.

Nature of Program: FHA insures loans made by lenders to pay for improvements or additions to apartment projects, nursing homes, hospitals, or group-practice facilities that already carry FHA-insured or FHA-held mortgages. Projects may also obtain FHA insurance on loans to preserve, expand, or improve housing opportunities, to provide fire and safety equipment, or to finance energy conservation improvements to conventionally financed projects. Major movable equipment for nursing homes, group practice facilities, or hospitals also may be covered by a mortgage under this program.

Applicant Eligibility: Qualified owners and purchasers of multifamily projects and owners of healthcare facilities (as specified above).

Legal Authority: Section 241 of the National Housing Act (12 U.S.C. 1715z-6). Regulations are at 24 CFR part 200, subpart A, and part 241.

Administering Office: Assistant Secretary for Housing-Federal Housing Commissioner, U.S. Department of Housing and Urban Development, Washington, DC 20410.

Information Sources: Administering offices; HUD Multifamily Hubs and Program Centers for rental projects; Office of Healthcare Programs for healthcare facilities. On the Web: www.hud.gov/offices/hsg/mfh/progdsc/supplement241a.cfm

Current Status: Active.